WORKERS COMPENSATION BOARD OF MANITOBA

FIVE YEAR PLAN 2014-2018

our people
our system
our partners
our customers

OUR VISION

A trusted partner, insuring today and building a safer tomorrow.

OUR MISSION

We are here to insure and support safe and healthy work and workplaces.

We put workers and employers at the centre of all we do.

We provide them with valued services for injury prevention, compensation and return to health and work while maintaining system integrity.

OUR STRATEGIC PRIORITIES

Our People - Engaging our employees to harness their commitment and passion. Developing our capabilities and our capacity to excel.

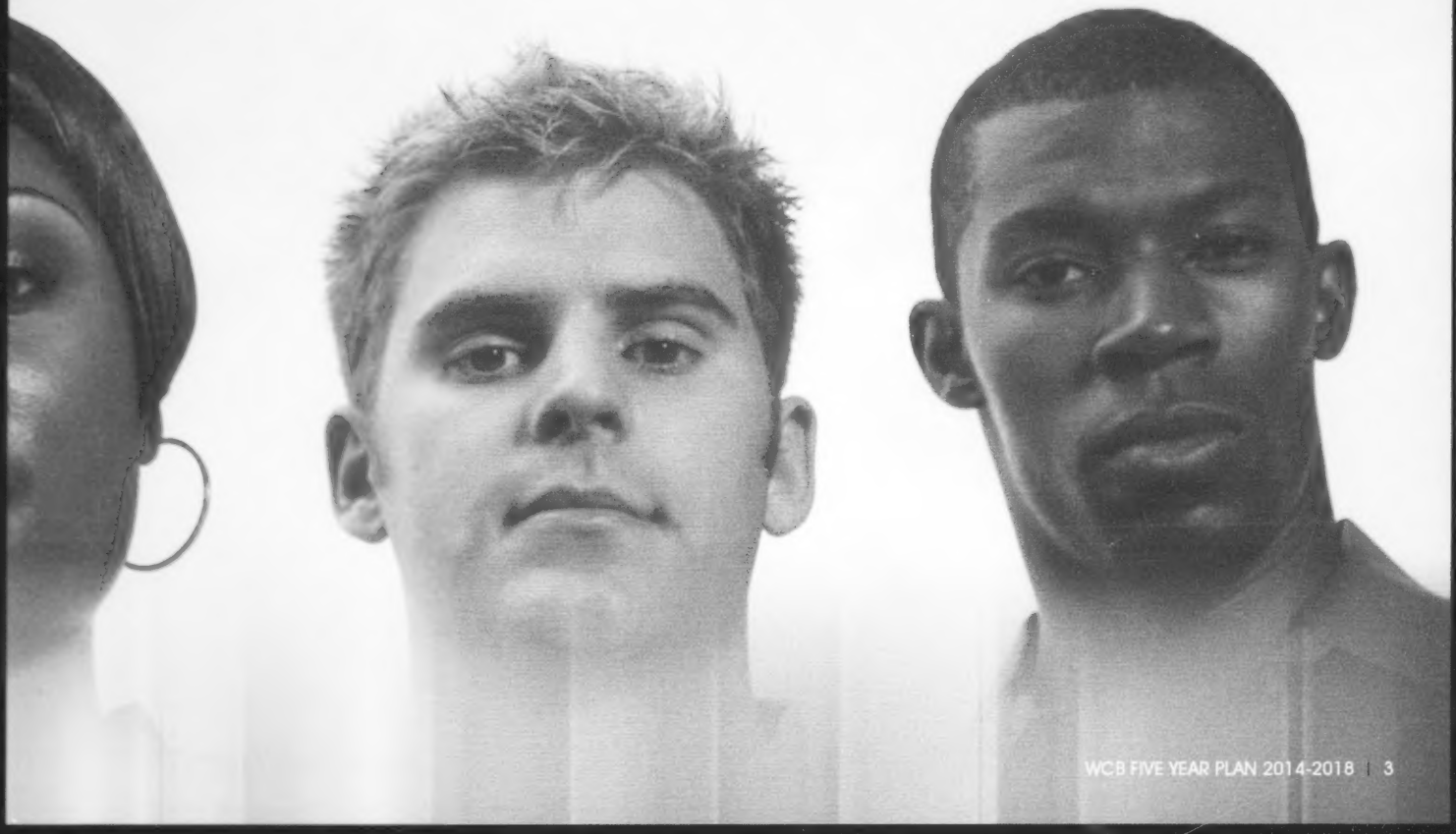
Our Customers - Understanding the diverse needs and expectations of workers and employers. Providing proactive and relevant services.

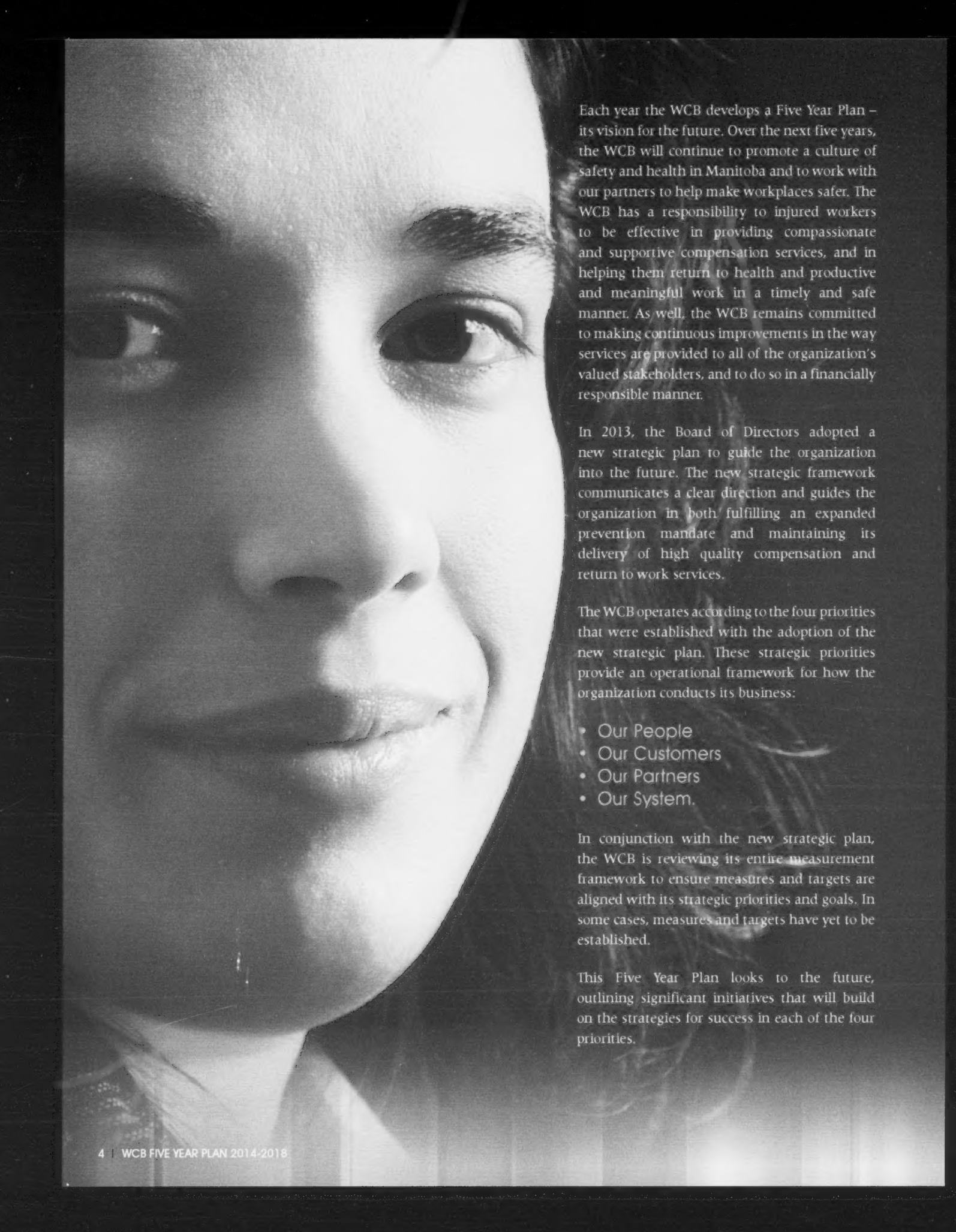
Our Partners - Collaborating with our partners to deliver superior services and build a safer Manitoba.

Our System - Protecting the integrity of the compensation system. Honouring our governing principles and delivering on our mandate.

OUR VALUES

• Integrity • Compassion • Innovation • Accountability • Collaboration





Each year the WCB develops a Five Year Plan – its vision for the future. Over the next five years, the WCB will continue to promote a culture of safety and health in Manitoba and to work with our partners to help make workplaces safer. The WCB has a responsibility to injured workers to be effective in providing compassionate and supportive compensation services, and in helping them return to health and productive and meaningful work in a timely and safe manner. As well, the WCB remains committed to making continuous improvements in the way services are provided to all of the organization's valued stakeholders, and to do so in a financially responsible manner.

In 2013, the Board of Directors adopted a new strategic plan to guide the organization into the future. The new strategic framework communicates a clear direction and guides the organization in both fulfilling an expanded prevention mandate and maintaining its delivery of high quality compensation and return to work services.

The WCB operates according to the four priorities that were established with the adoption of the new strategic plan. These strategic priorities provide an operational framework for how the organization conducts its business:

- Our People
- Our Customers
- Our Partners
- Our System.

In conjunction with the new strategic plan, the WCB is reviewing its entire measurement framework to ensure measures and targets are aligned with its strategic priorities and goals. In some cases, measures and targets have yet to be established.

This Five Year Plan looks to the future, outlining significant initiatives that will build on the strategies for success in each of the four priorities.

OUR PEOPLE

The WCB is committed to engaging our employees to harness their commitment and passion. As an organization, we are committed to developing our capabilities and our capacity to excel.

Strategic Goals:

- To support staff and enhance their ability to provide excellent customer service.
- To increase staff commitment and engagement.
- To build a culture that supports innovation.

Strategic Initiatives:

Implement initiatives to engage employees

The WCB is committed to increasing staff engagement to enhance the ability of staff members to work together with each other and our partners to serve our customers and achieve our vision. The WCB will accomplish this by implementing recommendations from the staff engagement survey, increasing use of the intranet as a staff engagement tool and enhancing training though the application of best practices in Case Management. The WCB will also continue to solicit input from staff about their work and the organization.

Enhance leadership development

Developing strong leadership is essential to accomplishing organizational goals. The WCB will develop and implement coaching for leadership and continue leadership training and team building.

Build skills and competencies to support a culture of innovation

The WCB is committed to finding new and better ways to provide service that is fast, easy, caring, right and clear. We continually seek to make our system more responsive, efficient and effective. The WCB will complete an assessment of the current state of innovation in the organization; develop and implement a governance structure to support and guide innovation initiatives; develop training in innovation for leaders and staff; and build intranet resources to support a shift to a culture of innovation.

Renew office space

Having completed the repair of the office building exterior at 333 Broadway, the WCB has committed to turning its attention to its office space. In this regard, the WCB will develop an office renewal plan which will allow for more effective work space to meet the needs of the organization.

Targets:

In conjunction with the new strategic plan, the WCB is reviewing its measurement framework to ensure the measures and targets for the Our People priority are aligned with its strategic goals. For information purposes, the previous targets related to Our People are included below:

- Achieve an average of 80 per cent on WCB employee engagement measures.
- Achieve at least 80 per cent on the WCB service culture index.

OUR CUSTOMERS

The WCB is committed to understanding the diverse needs and expectations of workers and employers while providing proactive and relevant services.

Strategic Goals:

- To enhance our culture to ensure our customers and their needs are at the centre of all we do.
- To leverage information and technology to make it easy to do business with us.
- To deliver excellent services and programs to meet the diverse needs and expectations of our customers.

Strategic Initiatives:

Design and implement a comprehensive, WCB-wide customer service program

The WCB is committed to continuously seeking out new and innovative ways to enhance service to our customers. The WCB will begin implementing a new comprehensive customer service program, beginning with mapping the customer journey.

Enhance customer service and Return To Work in Case Management

The WCB understands and cares about the diverse needs of our customers. Following a review of customer service and return to work in the case management department, the WCB is committed to redesigning processes in order to enhance service to its customers.

In addition, the WCB will contribute to diversity outreach by promoting new resources in different languages, conducting an accessibility plan in consultation with persons with disabilities or their representative organizations and promoting the benefits of return to work practices among employers, injured workers and healthcare practitioners.

Implement FlexPay for all employers

The WCB has spent a significant amount of time communicating to employers about FlexPay, a new and enhanced payroll reporting and payment system that makes payroll reporting easier. Having already introduced it to an initial group of customers, the WCB will implement FlexPay, including online payroll reporting and online account statements, for all remaining employers.

Targets:

In conjunction with the new strategic plan, the WCB is reviewing its measurement framework to ensure the measures and targets for the Our Customers priority are aligned with its strategic goals. For information purposes, the previous targets related to Our Customers are included below:

- Achieve at least 80 per cent in injured worker and employer satisfaction.
- Achieve at least 80 per cent in injured worker satisfaction with return to work support.
- Pay at least 70 per cent of injured workers within 14 days of injury.
- Achieve an average claim duration of 34 days or less.

OUR PARTNERS

The WCB is committed to collaborating with our partners to deliver superior services and build a safer Manitoba.

Strategic Goals:

- To facilitate collaboration with our partners.
- To build community capacity to promote safe workplaces.
- To enhance our public reputation and increase stakeholder confidence.

Strategic Initiatives:

Design and implement electronic reporting and billing for healthcare providers

In support of the WCB's commitment to helping injured workers get back to health and meaningful work as soon as safely possible, the WCB launched a multi-year project on healthcare electronic reporting and billing to improve the timeliness of reports from doctors, chiropractors and physiotherapists.

The WCB will design the technological and administrative supports to enable electronic reporting and billing for healthcare, in addition to defining the requirements to allow healthcare providers to interact with the WCB.

Create a framework for outreach to important publics, including internal and external stakeholders

The WCB is committed to collaborating with our partners. The WCB will implement strategic supports to reach out to external partners and deliver resources to customers through new channels while ensuring cross-functional integration between departments.

Implement *Manitoba's Five-Year Plan for Workplace Injury and Illness Prevention*

The WCB developed a detailed implementation plan for delivering on *Manitoba's Five-Year Plan for Workplace Injury and Illness Prevention*. In support of this initiative,

the WCB will establish a Prevention Committee of the Board, deliver initial elements of Manitoba's Five-Year Plan and consolidate prevention services into a single entity, SAFE Work Manitoba. Through SAFE Work Manitoba, the WCB will also develop strategies for safety associations, certification programs and prevention incentives.

Make changes to the rate setting structure to ensure fairness and create incentives for real prevention

The WCB is committed to consulting stakeholders from employers and labour regarding our assessment rate model to ensure it prioritizes prevention and strengthens system accountability. The WCB will conduct a comprehensive review of the assessment rate model and make any required changes to ensure employers are rewarded for safe workplaces, while removing financial incentives to minimize or suppress claims.

Targets:

In conjunction with the new strategic plan, the WCB is reviewing its measurement framework to ensure the measures and targets for the Our Partners priority are aligned with its strategic goals. For information purposes, the previous targets related to Our Partners are included below:

- Achieve a reduction in the time loss injury rate to 3.0 per 100 full time workers and a reduction in the number of serious injuries and fatalities.
- Increase the number of Manitobans who reject the notion that workplace injuries are inevitable to 70 per cent.
- Increase the number of Manitobans who believe the WCB makes a positive contribution to the province to 70 per cent.

OUR SYSTEM

The WCB is committed to protecting the integrity of the compensation system, honouring our governing principles and delivering on our mandate.

Strategic Goals:

- To continuously improve system performance.
- To ensure all workplace partners in the compensation system — the WCB, workers and employers understand and act on their rights and responsibilities.
- To maintain a balanced and financially sound system.

Strategic Initiatives:

Build our Business Intelligence capacity to support our strategic goals

The WCB, in support of the innovation initiative, is committed to making use of technology and business process renewal to implement service improvements. The WCB will create a WCB Business Intelligence (BI) unit to build capacity in data collection and analysis to support various work processes. The WCB will also develop BI tools and methodologies and continue the development of the corporate data warehouse.

Support review of *The Workers Compensation Act* and implement consequent changes

Legislation requires a review of *The Workers Compensation Act* every 10 years to ensure it is still up to date and applicable to the changing times.

The WCB will investigate the feasibility of online consultations and develop background and issue papers in preparation for the review.

Strengthen the WCB compliance framework

Ensuring all parties comply with their responsibilities is a key element in protecting the integrity of the compensation system. Compliance activities will include education and awareness so that workers and employers understand their rights and responsibilities for reporting workplace injuries.

In support of this initiative, the WCB will implement a compliance framework that includes a broader mandate, utilizes data analysis to guide compliance activities and allocates sufficient staff and resources to proactively address issues of non-compliance.

Review the funding target for the accident fund

The WCB maintains the accident fund reserve to protect the workers compensation system from risks and uncertainties, catastrophic events, and to ensure that annual influences do not unduly distort the funding process. This reserve is increased or decreased by the operating surpluses and deficits of the WCB. The WCB is committed to conducting a review to ensure the funding target for the accident fund reserve is still appropriate.

Evolve the technical infrastructure to provide a foundation for innovation

The WCB is committed to enhancing the technology utilized in the organization to ensure our technical infrastructure supports a culture of innovation.

The WCB will implement a new IT Service Desk model and complete IT roadmaps for Communication, Network Infrastructure, Data Protection, Storage and Security.

Modernize our Quality Assurance program

The WCB is committed to ensuring policy and legislation is applied correctly and consistently both internally and externally. The WCB will develop a quality assurance program for internal healthcare opinions, implement a process for prioritizing targeted quality reviews and complete the redesign of the quality assurance program for claims.

Targets:

In conjunction with the new strategic plan, the WCB is reviewing its measurement framework to ensure the measures and targets for the Our System priority are aligned with its strategic goals. For information purposes, the previous targets related to Our System are included below:

- Build total reserves toward the funding policy target level.
- Achieve at least 95 per cent in quality of claim management.

2014 – 2018 Budgeted and Projected Financial Statements

The WCB Board of Directors has defined a new strategic direction to guide the organization which included the WCB's corporate vision, mission, values and strategic goals. In 2014 and beyond, the WCB will work to support our Strategic Priorities, which focus on our people, our partners and our system with our customers at the core.

The organization's financial plans are prudent and allow the WCB to be in line with the accident fund reserve and funding ratio targets throughout the five year period.

WCB revenues include:

Premium revenue: this amount represents a combination of estimated annual assessable payroll and the average assessment rate, using reasonable assumptions for economic and inflationary growth. The average assessment rate used in the Five Year Plan is $1.50 in 2014, $1.33 in 2015 and 2016 and $1.23 in 2017 and 2018. The rate changes are financially sound and are designed to support *Manitoba's Five Year Plan for Workplace Injury and Illness Prevention*.

Investment revenue: this amount represents a return that is consistent with the WCB's investment portfolio profile. A steady rate of return of 6 per cent is used throughout the Plan, as it is not possible to predict investment markets. Actual results in this area will vary and fluctuations can be significant.

WCB expenses include:

Claim costs: this amount assumes the injury rate will decline during the Five Year Plan period and includes a reasonable assumption for cost inflation. Fluctuations in claim costs can occur if there is an increase to injury rates, very expensive claims, a change in the mix of old and new claims, or a change in claim duration. Included in the claim cost projections are costs related to actuarial projects which are estimated to impact claim costs in the years 2014 and 2018.

Operating expenses: this amount represents salaries, employee benefits, infrastructure, the Appeal Commission, the Research and Workplace Innovation Program and administrative costs. In 2014 and beyond, estimates include a reasonable assumption for the growth of the WCB and inflation.

Proforma Statement of Financial Position (unaudited)

As at December 31
(000's)

	2013 Actual	2014 Budget	2015 Projection	2016 Projection	2017 Projection	2018 Projection
Assets	**$ 1,505,620**	**$ 1,605,367**	**$ 1,670,817**	**$ 1,739,725**	**$ 1,768,630**	**$ 1,800,723**
Liabilities	1,123,946	1,207,030	1,243,126	1,285,229	1,328,113	1,388,002
Funded position	381,674	398,337	427,691	454,496	440,517	412,721
	$ 1,505,620	$ 1,605,367	$ 1,670,817	$ 1,739,725	$ 1,768,630	$ 1,800,723
Funding ratio	134.0%	133.0%	134.4%	135.4%	133.2%	129.7%

Proforma Statement of Operations and Comprehensive Income (unaudited)

For the years ending December 31
(000's)

	2013 Actual	2014 Budget	2015 Projection	2016 Projection	2017 Projection	2018 Projection
Projected average assessment rate	$ 1.50	$ 1.50	$ 1.33	$ 1.33	$ 1.23	$ 1.23
Premium revenue	$ 265,781	$ 298,357	$ 265,363	$ 274,156	$ 240,255	$ 250,823
Investment income	157,496	71,611	76,614	81,074	85,028	88,404
Revenue	423,277	369,968	341,977	355,230	325,283	339,227
Claim costs incurred	268,255	268,605	223,689	235,045	241,214	264,074
Operating expenses	76,988	84,700	88,934	93,380	98,048	102,949
Total expenses	345,243	353,305	312,623	328,425	339,262	367,023
Operating surplus	**78,034**	**16,663**	**29,354**	**26,805**	**(13,979)**	**(27,796)**
Other comprehensive income	21,636	-	-	-	-	-
Total comprehensive income	**$ 99,670**	**$ 16,663**	**$ 29,354**	**$ 26,805**	**$ (13,979)**	**$ (27,796)**

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FIVE YEAR PLAN 2014-2018

WCB Workers Compensation Board of Manitoba